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November 5, 2007

Dear Representative Bieda and the Honorable Members of the House Tax Policy Committee:

A three-bill package that will require interior designers to become licensed professionals is working its way through the legislature in Michigan. This proposed legislation is a win for consumers and the public as a whole. House Bills 4770, 4771, and 4772, sponsored by State Representatives Andy Meisner and Bill Huizenga, have garnered bipartisan support from legislators. In mid October these bills were passed by the Michigan House of Representatives and are now being considered by the Michigan Senate. When these bills are passed into law, they will ease the acute restraint of trade that currently burdens interior designers particularly the small businesses and sole practitioners.

As president of the Coalition for Interior Design Registration (CIDR), I am submitting this testimony in opposition to the sales tax on service that has passed into law though HB5198. This law places a further burden on the profession of interior design in Michigan. The discriminatory application of this law greatly adds to the restraint of trade against interior designers. The fact that interior design services are taxable and architectural interior design services are not is the major issue.

The main competition for interior design firms is architectural firms with interiors departments. Small businesses or single practitioners cannot compete with a 6% cost disadvantage to do the same work. If design services are taxable, then all design services should be taxed – architectural, engineering, and interior design. That is only fair.

It is hoped that when your committee holds the hearing on this matter, they will consider the plight of interior designers in our state and vote for a more equitable application of this tax. Thank you for your kind consideration.

Sincerely,

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MEMBER Linda Thomas, ASID

Coalition for Interior Design Registration (CIDR) President

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Mission Statement